4/8/87 A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 65 - No. 3 MARCH 1987

PAPER AND PAPERBOARD PRODUCTION: JANUARY-FEBRUARY 1987 HOLDING STRONG

Production of paper and paperboard in January and February 1987 continued to hold near the record-high rates evident during the past two quarters. Adjusted for seasonal and work day factors, the rate of production averaged 73.3 million tons per year. This was 5.1% above its year-ago rate, 3.2 % above the record-high total achieved in 1986, and compares with the 1987 capacity total of 77.4 million tons.

Much of the gain was concentrated in paperboard, where the two-month 1987 total was 6.6% above the comparable 1986 level; paper production rose 3.6% in this period.

Paper: Among the individual paper grades, January-February 1987 shipments of coated printing papers exceeded their year-ago total by 8.4%. By comparison, shipments of these grades in all of 1986 advanced 6.6%, with most of the strength occurring during the second half of the year.

The leading end-use markets for coated papers have been giving off mixed signals. Commercial printing activity moved up sharply during 1986 and has exhibited continued strength by posting consecutive gains during the November-January period. After building stocks earlier in the year, commercial printers began to trim inventories in November of 1986 and continued to do so through January of this year.

Recent news regarding the magazine industry is less encouraging. Advertising page counts for January of 1987 trailed their year-ago level by 8.2%, but the January reading will probably turn out to have been an aberration. Magazine advertising page volumes were off by a much less severe 1.1% during 1986 and most advertising markets are expected strengthen this year. (See page 11 for a more detailed discussion of recent advertising trends as they pertain to printed matter.)

In concert with patterns exhibited by most of the paper grades, shipments of uncoated free sheet papers weakened between

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January and February. Because of the February decline, annualized shipments of these grades were up by only 2.3% during the first two months of this year. That compares to a robust 7.7% gain posted by these shipments in 1986. Imports of uncoated free sheet papers were at an average annual rate of 473,064 tons during the December-January period, which exceeded 1986's full-year level by 4.3%. Much of the strength exhibited by white paper demand during recent years has derived from the boom in office paper usage. In fact, the U.S. population of plain paper copiers rose by more than 15% a year between 1981 and 1986 and the number of electronic printers also expanded rapidly.

Kraft paper shipments trailed their year-ago rate by 1.9% during the first two months of 1987. Demand for these grades is being hurt by several factors, including competition from domestic and imported plastic retail sacks and weak agricultural markets, which have reduced demand for multiwall sacks used to package fertilizers, seeds, and animal feeds. There are indications that prices for polyethylene resins, which are used in the manufacture of plastic retail sacks, are experiencing upside pressures. The impetus for the upside pressures reflects limited capacity expansion in the face of rapidly growing resin demand. Recent increases in energy prices are also said to be playing a role.

Newsprint shipments in January-February 1987 exceeded their year-ago pace by 6.2%. By reason of that strong performance, U.S. newsprint mills operated at 95% of capacity during the first two months of 1987, which compares with an operating rate of 93.2% at the beginning of 1986. Overall usage of newsprint was up 3.0% during 1986, while usage by daily newspapers grew a more moderate 2.3%. Circulation of daily newspapers has been nearly stable since 1971, while Sunday newspapers sales have recorded fairly steady gains.

Year-to-date tissue paper production was up 2.5% through February of 1987. The annualized rate for the first two months of 1987 was 5.1 million tons, which was slightly above the full-year 1986 total.

Paperboard: The strength in paperboard production was fairly well distributed among the major furnishes, ranging from an 8.8% increase in semichemical paperboard production to a 4.8% increase in solid bleached paperboard. In market terms, production of containerboard for domestic use rose 7.3%; boxboard for domestic use was ahead 5.2%, while production for export rose 10.7% as a result of major increases in semichemical and solid bleached export production.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

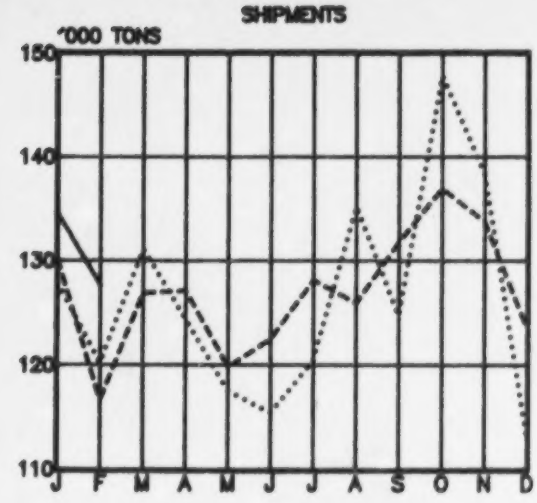
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1985	YEAR 1986	NOV 1986	DEC 1986	JAN 1987 (R)	FEB 1987 (P)	Annual Rate Y T D 1987	% Change From Same Period Last Year
PAPER								
Newsprint Production	5,428	5,630	473	472	490	441	5,588	3.8
- Shipments	5,417	5,638	470	484	471	443	5,485	6.2
Printing & Writing sum	18,471	19,671	1,614	1,653	1,702	1,619	19,926	4.4
Groundwood Paper - Shipments	1,516	1,523	134	124	134	128	1,572	6.2
- New Orders	1,477	1,548	132	122	140	110	1,496	0.5
-Unfilled Orders	106	131	129	131	127	119	119	9.4
Coated Papers - Shipments	5,875	6,260	535	540	568	526	6,561	8.4
- New Orders	5,642	6,275	507	515	557	533	6,544	5.5
- Unfilled Orders	393	399	434	399	466	487	487	18.4
Unctd Free Sheet - Shipments	9,750	10,504	838	881	885	851	10,417	2.3
- New Orders	9,704	10,528	839	856	860	838	10,189	-1.1
- Unfilled Orders	509	534	554	534	568	564	564	2.6
Thin Papers - Shipments	262	240	16	18	22	22	260	-0.2
Cotton Fiber Paper - Shipments	144	151	12	12	13	13	158	5.5
Bleached Bristols Production	924	993	80	78	81	79	959	-0.7
Tissue Paper - Production	4,941	5,095	424	421	439	414	5,122	2.5
Total Packaging & Other Paper	5,202	5,137	417	424	446	410	5,136	1.5
Unbl. Kraft Paper - Shipments	3,403	3,333	263	273	280	262	3,252	-1.9
Other Paper - Production	1,799	1,796	154	149	166	148	1,884	9.4
TOTAL PAPER-Production-Unadj.	34,042	35,532	2,927	2,970	3,078	2,884	35,771	3.6
-Production S.A.			2,978	3,096	3,017	3,003	36,124	3.6
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27,359	2,260	2,334	2,409	2,206	27,688	6.8
Total Unbl. Kraft Paperboard	16,368	17,694	1,457	1,531	1,546	1,424	17,820	6.6
Unbl. Kraft Linerboard (1)	15,183	16,390	1,381	1,434	1,436	1,320	16,539	6.9
Production for Export	1,830	2,079	180	184	172	165	2,021	3.5
Other Unbl. Kraft Paperboard	1,184	1,304	76	97	110	104	1,282	2.9
Semichemical Paperboard	5,088	5,373	454	438	481	439	5,520	8.8
Production for Export	189	212	26	19	16	19	211	12.2
Solid Bleached Paperboard	3,948	4,293	348	365	382	343	4,347	4.8
Production for Export	466	513	43	44	48	46	561	29.5
Recycled Paperboard	7,630	8,143	691	625	735	681	8,495	6.1
Production for Export	26	25	2	1	2	12	87	203.3
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,503	2,950	2,959	3,143	2,887	36,180	6.6
- Containerboard Prod.(Dom. Use)	20,042	21,558	1,813	1,838	1,906	1,734	32,241	58.1
- Boxboard Prod.(Dom. Use) (2)	5,673	5,938	480	478	552	482	6,204	5.2
- All Other P bd Prod.(D.U.) (2)	4,808	5,180	406	395	448	429	5,260	4.2
- Total Paperbd Prod. for Export	2,511	2,827	252	248	237	242	2,879	10.7
TOTAL PAPERBOARD PROD.- S.A.			2,977	3,340	3,121	3,076	37,184	6.6
TOTAL PAPER AND PAPERBOARD								
Production - actual	67,076	71,035	5,878	5,929	6,221	5,771	71,951	5.1
Production - S.A.			5,955	6,437	6,139	6,079	73,308	5.1

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

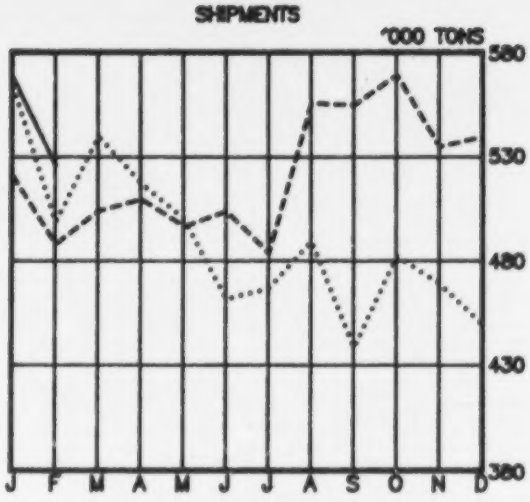
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



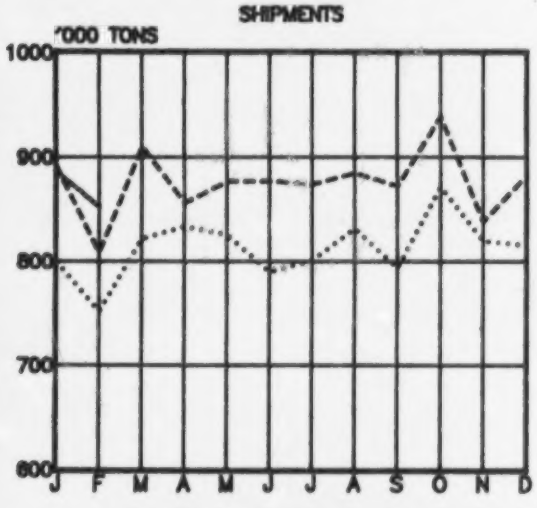
COATED PAPER

SHIPMENTS



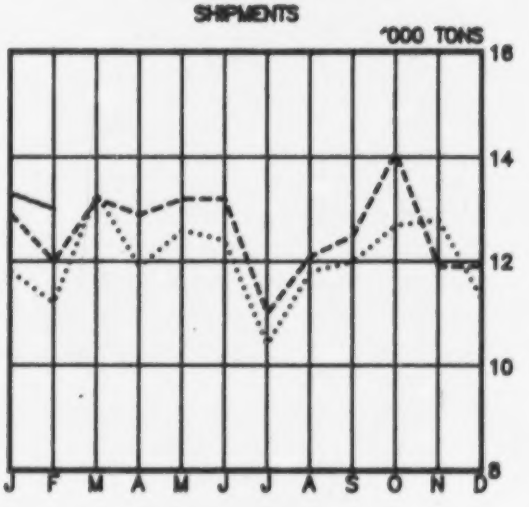
UNCOATED FREE SHEET PAPERS

SHIPMENTS



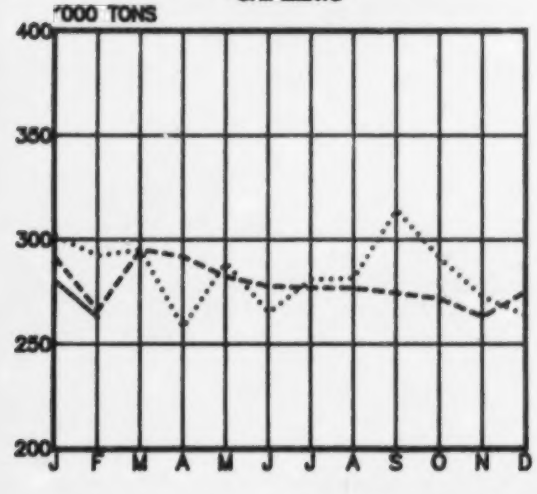
COTTON FIBER PAPER

SHIPMENTS



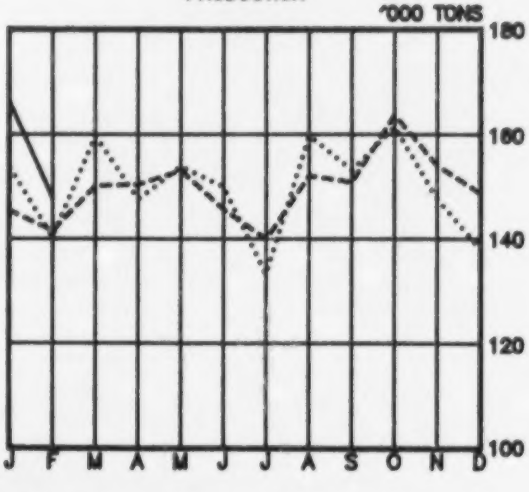
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1985 ..... 1986 ----- 1987 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1985	YEAR 1986	OCTOBER 1986	NOVEMBER 1986	DECEMBER 1986	JANUARY 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp Production	54,141	57,268	4,871	4,757	4,926	5,082	60,982	5.0
- Imports	4,466	4,582	372	467	295	413	4,954	7.8
- Exports	3,791	4,458	344	312	409	355	4,259	-3.4
- New Supply	54,816	57,392	4,898	4,912	4,812	5,140	61,676	5.9
Dissolving Pulp Production	1,174	1,258	98	95	122	108	1,300	1.7
- Imports	175	255	23	19	18	13	159	-57.1
Exports	631	711	61	53	66	64	763	14.6
- New Supply	718	801	60	60	74	58	695	-29.2
Paper Grades - Production	43,690	46,333	3,942	3,854	3,997	4,113	49,358	5.0
Chemical Pulp - Imports	4,104	4,220	342	443	271	393	4,712	13.0
- Exports	3,131	3,689	279	252	340	290	3,485	-6.3
- New Supply	44,662	46,864	4,006	4,046	3,928	4,216	50,586	6.6
Groundwood and - Production	5,251	5,545	481	464	470	497	5,962	6.2
Thermo-Mech. - Imports	187	108	7	5	7	7	82	52.9
Exports	29	59	5	7	2	1	12	-56.9
- New Supply	5,409	5,594	483	461	474	503	6,032	6.9
Semi-Chemical Production	4,027	4,133	350	345	338	364	4,362	5.0
- Imports								
Exports								
- New Supply	4,027	4,133	350	345	338	364	4,362	5.0
MARKET WOOD PULP								
Total Market - Production	6,767	7,584	593	647	694	668	8,015	7.3
Wood Pulp - Imports	2,791	3,048	261	245	213	236	2,835	-3.8
- Exports	3,784	4,470	328	295	479	296	3,548	-24.0
- New Supply	5,774	6,161	526	597	428	608	7,302	27.0
Disuolving Pulp Production	1,145	1,251	98	95	122	107	1,283	0.8
- Imports	174	212	16	13	18	7	85	-73.0
Exports	666	718	52	49	84	42	499	-22.8
- New Supply	653	745	62	58	56	72	868	-7.6
Paper Grades - Production	5,598	6,321	494	552	570	560	6,718	8.7
Chemical Pulp - Imports	2,531	2,754	241	229	192	228	2,731	4.9
- Exports	3,117	3,752	276	246	396	254	3,049	-24.2
- New Supply	5,013	5,323	459	535	366	533	6,399	34.4
Groundwood Pulp - Production	24	11	1	1	2	1	14	-7.7
and All Other - Imports	86	83	4	2	4	2	20	-34.7
- Exports	1	0	0	0	0	0	0	0.0
- New Supply	109	94	5	4	5	3	34	-25.5

SOURCES. Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports Pulp Division Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

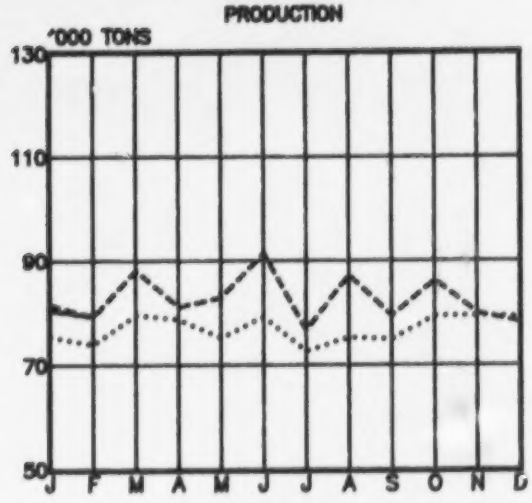
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	68,561	72,325	6,197	6,118	6,006	6,360	76,324	3.9
Total Wood Pulp	53,274	55,746	4,778	4,720	4,667	4,952	59,420	5.3
Waste Paper	15,287	15,290	1,419	1,398	1,339	1,409	16,904	-0.5
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers Own Use Inventories	164	174	176	175	174	183	183	11.4
Producers' Market Inventories	486	284	292	353	284	352	352	-20.7
Consumers Purchased Inventories	492	569	527	553	569	530	530	4.3
Waste Paper at Paper & Bd. Mills	967	948	948	893	948	877	877	-9.4
Days of Supply at Pulp Mills or Chemical Paper Grade Mkt Pulp	30	16	16	21	16	20	20	-23.1

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary, R - Revised (0) - Indicates zero to five-hundred short tons

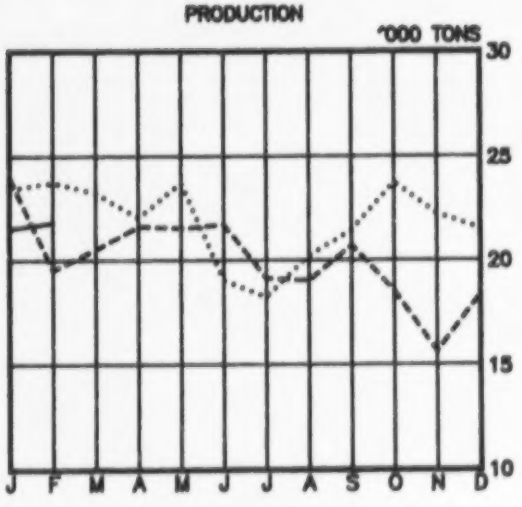
BLEACHED BRISTOLS

PRODUCTION



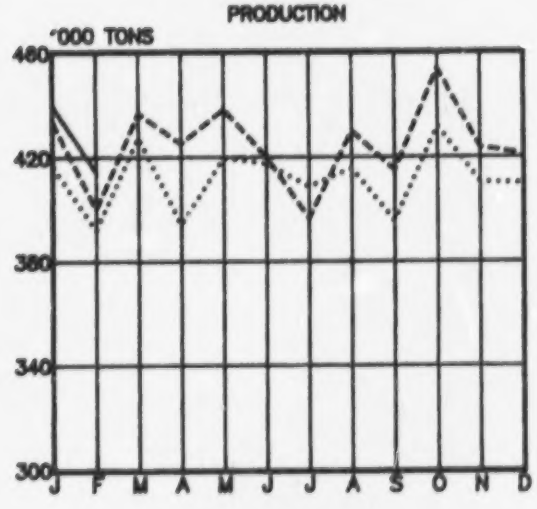
THIN PAPER

PRODUCTION



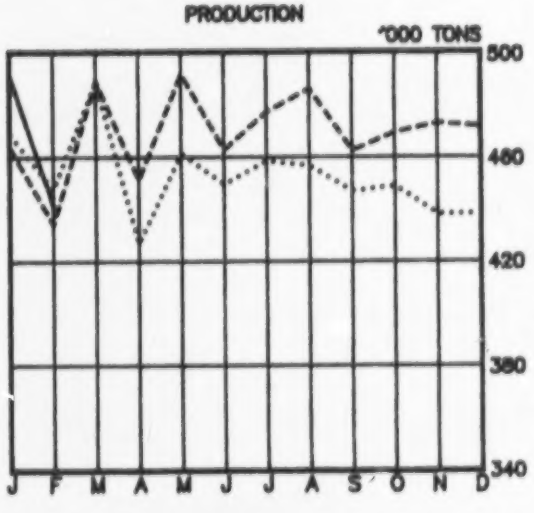
TISSUE PAPER

PRODUCTION



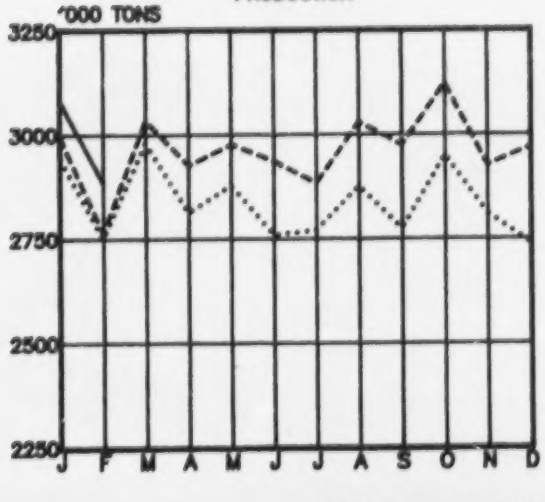
NEWSPRINT

PRODUCTION



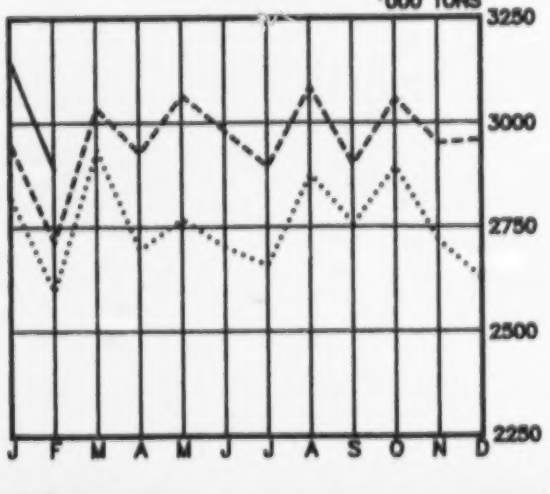
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1985 ..... 1986 - - - - - 1987 ———

F I B R O U S R A W M A T E R I A L S
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	OCTOBER 1986	NOVEMBER 1986	DECEMBER 1986	JANUARY 1987	Annual Rate Y T D 1987	% Change from same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85 499	90 943	8 247	7 224	7 639	8 074	96 888	-0.2
	- Total Consumpt	85 744	91 434	7 779	7 681	7 795	8 049	96 588	2.1
	Residues *	30 464	32 755	3 068	2 478	2 562	2 734	32 808	-3.8
	- Inventories	5 046	4 794	5 501	4 909	4 794	4 712	4 712	-14.2
So. Atlantic	- Total Receipts	27 589	29 513	2,594	2 349	2 516	2 510	30 216	-5.5
	- Total Consumpt	27 815	29 425	2 465	2 419	2 537	2.577	30 924	1.3
	- Residues *	7 970	9 343	889	763	760	785	9 420	-6.3
	- Inventories	1.117	994	1.187	1.060	994	868	868	-29.1
Northeast	- Total Receipts	7,430	7 277	688	592	636	666	8 232	4 6
	- Total Consumpt	7 394	7 227	637	586	599	666	7 992	0.0
	Residues *	1 539	1 419	136	112	106	107	1 284	-2.7
	- Inventories	544	484	447	447	484	495	495	-1.0
South Central	- Total Receipts	29 786	31 790	2.785	2.572	2 685	2 851	34 212	-1.4
	- Total Consumpt	29 914	32 113	2,610	2 785	2 806	2.801	33 612	0.5
	Residues *	9 207	9 792	882	788	834	891	10.692	3 6
	- Inventories	1,198	926	1,288	1,051	926	919	919	-31.4
North Central	- Total Receipts	6,430	6 571	631	515	595	681	8 172	9 8
	- Total Consumpt	6,296	6,730	549	576	559	587	7,044	5.6
	- Residues *	1,290	1 042	97	75	87	87	1 044	-10 3
	- Inventories	884	892	868	820	892	1 021	1,021	4.6
West	- Total Receipts	14 264	15 792	1,549	1,196	1,207	1,338	16 056	6 5
	- Total Consumpt	14,325	15,939	1,518	1,315	1,294	1 418	17 016	6.8
	- Residues *	10,458	11,159	1,064	740	775	864	10 368	-7 8
	- Inventories	1,303	1 498	1,711	1,531	1,498	1,409	1,409	-3.0

* - Consumption of Residues in Cord Equivalents SOURCE American Pulpwood Association 25 Mar 87

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR Tons	1986 $000's	DECEMBER Tons	1986 $000's	JANUARY Tons	1987 $000's	Annual Rate Y T D 1986	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4 224	121	24	196	18	2.352	53.1
Pulpwood chips	723,257	19 488	42,021	986	11,664	288	139 968	-83.0
Wood Pulp, Total	3,949,414	1,422,180	257,370	99 832	394,662	152,577	4 735 944	75.6
Waste Fibrous Materials, Total	157,870	27,196	10,375	1,561	15 278	3,219	183,335	14.2
Paper, Board & Products, Total	9,963 486	4,467,761	711,778	328,738	887,153	416 851	10,645 841	13 2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4 268 820	703 753	316 058	874 880	396 599	10 498 562	13 0
Paper, Paperboard & Products	9,715,710	4,393,592	698.331	324.921	868,206	411.432	10,418,476	13.2
Paper & Paperboard, Only	9,594 378	4,194,651	690 306	312.241	855 933	391 181	10 271 197	12 9
Paper, Total	9,367,380	4,130,464	672,495	307,198	834,346	384,761	10,012,147	11.9
Newsprint	8,269 333	3 556,983	578 093	257 738	734 946	332 199	8 819 352	11.5
Printing, Writing & Rel. Pap.	868,628	457,685	76,260	40,079	78,579	42,057	942,953	15.4
Pack. & Ind. Conv. Paper	182,481	81,492	13,925	6,089	18 106	8 192	217 272	20 9
Special Industrial Paper	4,766	7,893	615	1,073	618	950	7,421	139.9
Tissue Paper	42,173	26,411	3 603	2 219	2 096	1,363	25,150	-28.2
Paperboard, Total	226,998	64,187	17,810	5,043	21,588	6,420	259,050	72.2
Convtd Paper&Paperbd Products	121,332	198,941	8,025	12,680	12,273	20,252	147 278	34.8
Wet Machine Board	2,332	1,570	139	96	120	88	1,434	-7.7
Construction Paper & Board	245,444	72,599	13,308	3,721	18 828	5 331	225 931	14.8

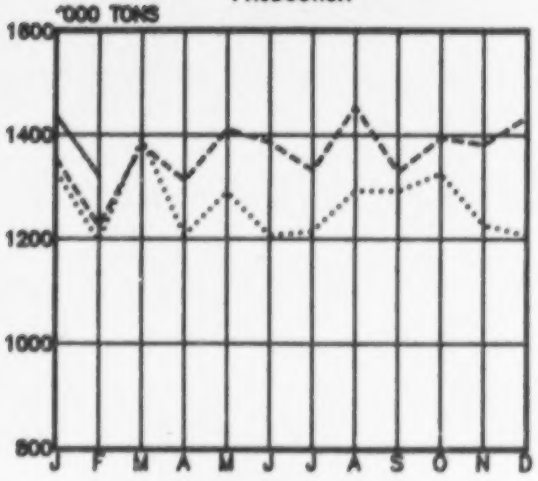
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	39,191	2 201	1 841	109	0	0	0	-100 0
Pulpwood chips	262,844	13,577	42,560	2,312	8,941	602	107,292	2049.3
Wood Pulp, Total	262,353	76 591	19 638	6 290	13 708	4 853	164 496	-50 7
Cotton Pulp & Other Pulp	33 629	10,458	2,996	813	2,777	1,167	33,324	234.6
Waste Paper	226,215	23 254	24 588	2 230	19 996	1 782	239 952	9 7
Paper, Board & Products, Total	846,141	464,795	62,385	39,267	71,012	41,553	852,142	-14.9
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	691,355	315 820	49 656	26 986	55 307	27 659	663 679	-17 8
Paper, Paperboard & Products	816,282	452,239	60,341	38,191	68,236	40,173	818,826	-15.6
Paper & Paperboard, Only	661 496	303,265	47 612	25 910	52 530	26 279	630 364	-18 8
Paper, Total	278,911	200,168	26,368	16,963	29,174	17 964	350,083	5.9
Newsprint	6,040	4 457	1 078	808	586	337	7 026	102.9
Printing, Writing & Rel. Pap.	121,167	99 480	10,392	7,963	11,547	8,691	138,565	1.4
Pack. & Ind. Conv. Paper	25 614	16,467	1 701	1 115	2 418	1 383	29 016	-22 5
Special Industrial Paper	122,874	75,189	13,052	6,830	14,405	7,171	172,865	14.7
Tissue Paper	3,217	4 577	144	248	218	381	2 611	11.1
Paperboard, Total	382 584	103,096	21,244	8 948	23,357	8,315	280,280	-37.1
Convtd Paper&Paperbd Products	154,786	148 975	12 729	12 280	15 705	13 894	188 462	-3 2
Wet Machine Board	10,728	4,638	894	514	1,382	604	16 578	163.9
Construction Paper & Board	19 132	7 918	1 150	562	1 395	776	10 738	-32 9

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 25 Mar-87

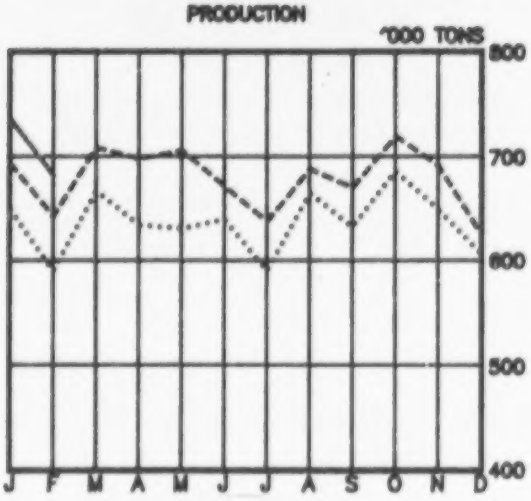
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



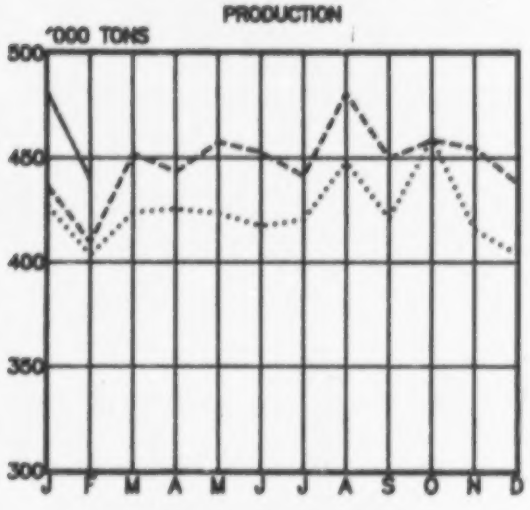
RECYCLED PAPERBOARD

PRODUCTION



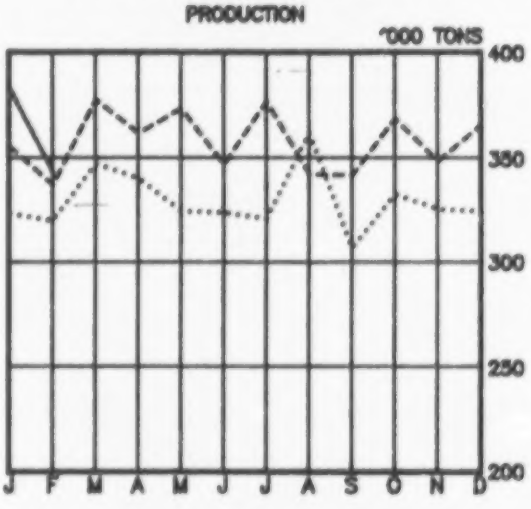
SEMICHEMICAL PAPERBOARD

PRODUCTION



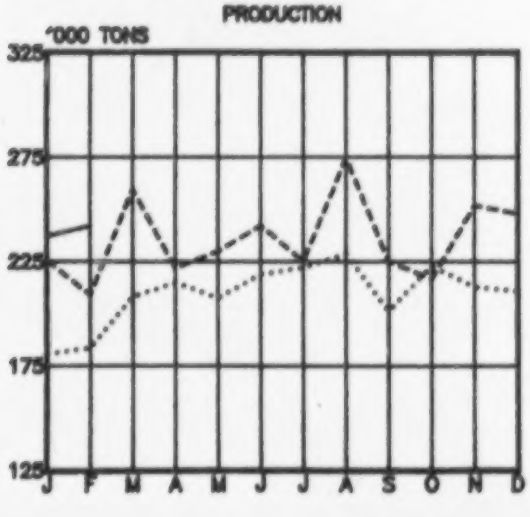
SOLID BLEACHED PAPERBOARD

PRODUCTION



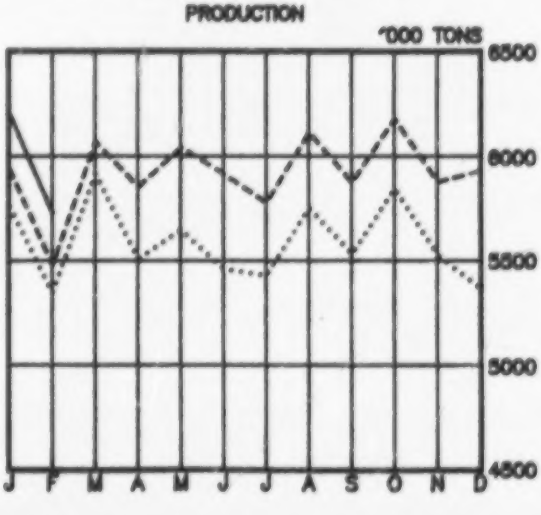
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ····· 1986 - - - - - 1987 ———

I M P O R T S

	YEAR 1986 Tons	YEAR 1986 $000	DECEMBER 1986 Tons	DECEMBER 1986 $000	JANUARY 1987 Tons	JANUARY 1987 $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60 850	4 563	251	36	222	23	2 664	73 4
Pulpwood Chips	724 828	19 642	42 062	992	11 721	298	140 652	83 0
Total All Imports	16 722 494	7 674 736	1 162 189	562 413	1 478 007	717 423	17 736 085	9 0
Wood Pulp Total	4 581 760	1 601 378	295 433	115 108	412 798	159 488	4 953 576	7 8
Waste Paper	99 313	11 182	8 243	1 009	8 398	1 227	100 776	30 7
Other Fibrous Materials	104 969	36 326	5 921	1 303	7 539	2 420	90 342	15 9
Paper Board & Products Total	11 936 452	6 035 850	852 592	444 993	1 049 283	554 288	12 591 391	9 6
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11 546 545	5 247 129	822 857	386 624	1 013 133	477 357	12 157 595	8 6
Paper Ppbd & Prds ex Cnst&WMB	11 596 808	5 928 457	832 659	439 049	1 022 481	546 812	12 269 768	9 2
Paper & Paperboard Only	11 206 901	5 139 735	802 925	380 680	986 331	469 881	11 835 972	8 2
Paper Total	10 925 453	5 051 917	774 557	371 466	950 629	458 307	11 407 550	6 1
Newsprint	8 587 507	3 682 351	593 681	263 726	750 252	338 885	9 003 024	5 9
Printing & Writing	2 029 302	1 179 802	153 273	89 806	171 854	101 573	2 062 244	7 0
Uncoated Groundwood	1 028 231	531 149	69 349	34 393	75 514	38 967	906 163	5 7
Coated Print.& Impreg. Pap.	501 382	359 495	42 010	30 213	49 426	34 688	593 111	25 6
Uncoated Free Sheet	453 638	254 627	39 381	22 963	39 463	22 712	473 557	-14 4
Uncoated Book	223 798	126 278	18 614	10 551	14 525	8 509	174 300	-38 1
Writing and Similar Paper	229 841	128 349	20 767	12 412	24 938	14 203	299 257	10 2
Thin (except Cigarette)	45 351	33 831	2 484	2 180	7 391	5 144	88 692	65 9
Bristols	700	700	50	59	60	61	721	228 4
Total Pkg & Other Paper	242 571	146 212	20 779	13 261	25 545	15 477	306 535	23 2
Unbleached Kraft Paper	115 008	42 650	9 809	3 817	12 446	4 991	149 357	64 9
Other Pkg. & Indust. Paper	127 562	103 562	10 971	9 445	13 098	10 486	157 178	-0 6
Tissue	66 073	43 552	6 824	4 672	2 979	2 372	35 747	-60 3
Paperboard, Total	281 448	87 818	28 368	9 214	35 702	11 574	428 422	29 8
Test or Containerboard	78 063	25 596	6 101	2 019	7 856	2 554	94 272	87 4
Semi-Chemical Corrugating	99 062	22 092	9 598	2 309	11 364	2 823	136 364	44 0
Other Paperboard	104 324	40 130	12 669	4 887	16 482	6 197	197 785	146 6
Convtd Paper&Paperbd Products	389 907	788 721	29 734	58 369	36 150	76 931	433 796	47 3
Paper Products, Total	361 517	730 257	27 837	54 578	33 388	71 116	400 656	48 2
Paperboard Products, Total	28 390	58 464	1 897	3 791	2 762	5 816	33 140	37 5
Wet machine Board	3 235	2 525	202	174	146	126	1 753	-15 1
Construction Paper & Board	336 409	104 868	19 730	5 770	26 656	7 351	349 870	25 5
Notes								
Other, No Weight Avail. ($000)		212 338		15 007		17 488	209 857	-1 6
Total Imports Incl. Other($000)		7 887 074		577 420		734 911	8 818 931	13 4

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	42 190	2 373	1 841	109	0	0	0	-100 0
Pulpwood Chips	2 426 333	170 022	308 005	21 201	158 342	12 212	1 900 104	-16 0
Total All Exports	13 196 245	4 694 705	1 189 659	442 291	1 107 152	428 492	13 285 825	5 3
Wood Pulp Total	4 458 312	1 662 466	409 243	168 524	354 932	153 015	4 259 184	-3 4
Cotton Pulp and Other Pulp	157 452	72 500	14 039	5 217	13 650	7 110	163 800	65 3
Waste and Old Paper	3 748 711	411 076	312 062	35 884	334 276	39 477	4 011 312	9 9
Paper, Board & Products,Total	4 831 770	2 548 663	454 315	232 666	404 294	228 890	4 851 529	8 9
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4 305 273	1 862 874	404 166	178 116	353 330	169 144	4 239 959	8 2
Paper, Ppbd & Prod ex Cnst&WMB	4 737 728	2 496 766	446 432	227 895	393 511	223 016	4 722 128	8 8
Paper & Paperboard, Only	4 211 231	1 810 976	396 284	173 344	342 547	163 269	4 110 558	8 1
Paper, Total	883 662	642 597	84 119	56 249	74 436	53 215	893 227	20 0
Newsprint	392 228	194 549	41 595	20 741	30 488	16 116	365 850	47 1
Printing & Writing	190 656	185 271	16 195	16 143	16 111	15 391	193 330	-5 0
Uncoated Groundwood	40 847	28 947	3 210	2 571	3 700	2 356	45 355	27 6
Clay Coated Paper	78 248	57 856	6 395	4 535	6 408	4 360	76 900	20 1
Uncoated Free Sheet	50 140	71 354	4 917	6 944	4 494	6 306	53 922	-4 6
Other Printing & Writing	21 420	27 114	1 673	2 093	1 429	2 369	17 153	12 3
Total Pkg. & Other Paper	284 021	241 426	25 313	17 956	26 370	19 772	316 445	13 2
Unbleached Kraft	78 248	32 009	5 529	2 150	6 182	2 793	74 180	38 8
Other Pkg. & Indust. Paper	205 773	209 417	19 784	15 806	20 189	16 979	242 264	7 1
Tissue	16 758	21 351	1 016	1 409	1 467	1 936	17 603	41 9
Paperboard, Total	3 327 568	1 168 379	312 165	117 096	268 111	110 054	3 217 331	5 2
Solid Wood Pulp	3 007 372	1 084 112	290 280	108 521	247 286	102 125	2 967 428	10 4
Total Linerboard	2 195 951	642 137	216 547	70 087	170 068	57 974	2 040 818	4 2
Bleached Kraft Linerboard	133 787	51 448	5 149	2 759	4 014	2 489	48 169	-44 3
Unbleached Kraft Linerbd	2 062 164	590 688	211 398	67 328	166 054	55 484	1 992 649	6 5
Other Unbleached Kraft	157 614	57 548	18 531	6 388	15 436	6 844	185 237	41 1
Other Bleached Kraft	577 166	362 715	48 914	30 097	53 376	34 520	640 513	34 9
Semi-Chemical Corrugating	76 641	21 713	6 288	1 950	8 405	2 787	100 860	-18 1
Recycled Paperboard	320 196	84 268	21 884	8 574	20 825	7 930	249 902	-32 9
Convtd Paper&Paperbd Products	526 497	685 789	50 149	54 550	50 964	59 746	611 570	14 2
Paper Products, Total	240 171	456 429	21 135	34 592	21 436	36 637	257 228	10 7
Paperboard Products, Total	286 327	229 360	29 014	19 959	29 529	23 110	354 342	16 8
Wet Machine Board	18 893	7 259	1 379	698	2 477	1 015	29 728	41 5
Construction Paper & Board E	75 149	44 639	6 503	4 073	8 306	4 860	99 673	7 6
Notes								
Other, No Weight Avail. ($000)		7 398		567		470	5 640	-31 1
Total Exports Incl. Other($000)		4 702 003		442 857		428 962	5 147 538	23 6

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1985	1986	NOVEMBER 1986	DECEMBER 1986	JANUARY 1987	FEBRUARY 1987	Annual Rate Y T D 1986	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	300.6	300.6	303.4	306.6	305 0	5.8
Pulp Paper & Products ex. Building Grades & ex Waste Paper *	294.5	295.9	302.2	302.4	305 2	308 4	306 8	5 5
Total Wood Pulp	346 6	358.6	379.2	387 4	397.1	396.1	396 6	19 3
Total Paper	303.4	306.3	312.6	313.4	315.2	318.1	316.7	5.1
Total Paper, exc. Newsprint	298 8	300.3	305.2	307.0	309.0	310 3	309 7	4 8
Newsprint	332.9	326.1	333.5	333.6	340.5	343.3	341.9	5.4
Total Paperboard	274.6	271.8	281.7	278.7	286.0	290 2	288 1	8 7
Total Paper and Paperboard *	294.4	295 3	303.0	302.5	306.0	309.4	306.0	6.1
Converted Products	288 1	289 3	293.7	294 1	295 8	298.8	297 3	4 0
Waste Paper	148.8	172.8	204.6	192 4	194.6	201.5	198.1	48.9
All Commodities	308 9	299 8	298.7	298 1	300.9	302.7	300 9	-1 6
Industrial Commodities	324 0	312.2	309.8	309.3	313.6	315.7	314.7	-2.2

SOURCE. Producer Price Indexes. Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

ADVERTISING SUMMARY SHEET
(millions of constant '82 dollars)

	Real Print-Based Ad Revenues	Total Real Ad Revenues	% Print
1980	$33,957	$65,867	51.6%
1981	34,548	66,407	52.0
1982	34,468	66,580	52.0
1983	37,166	70,822	52.5
1984	40,777	76,632	53.2
1985	41,372	77,410	53.4
1986	42,459	79,324	53.5

Source: McCann Erickson and API Economics

The gains in production of containerboard for domestic use were consistent with the strong demand for fibre boxes. The seasonally adjusted rate of fibre box shipments in this period averaged 292 billion sq. ft. per year, which compares favorably with the record-high 284 billion sq. ft. shipped in all of 1986. There was also a modest accumulation of containerboard inventories at mills and box plants -- amounting to about 150,000 tons -- but the inventory total at the beginning of March was still a relatively low 5.5 weeks of supply.

Production of folding boxboard continued to grow, with production of the bleached grades for domestic use up 6.5% in the first two months of 1987 and production of the recycled grades up 11%. For 1986 as a whole, the bleached grades gained 11.5%, while the recycled grades held at their relatively high year-ago totals. The strength in demand for folding boxboard is consistent with the 6% increase recorded by food and tobacco production last year.

Among the other boxboard packaging grades, cup stock, a bleached paperboard product, was the only other grade to show significant growth. In the non-packaging grades, gypsum wallboard facings gained 6% through February, reflecting the continued strength in residential housing.

FIBROUS MATERIALS

Although production of chemical paper grade market pulp eased downward from January to February 1987, the two-month 1987 total was still 6% above its comparable 1986 level. However, shipments fell some 6.6% below their year-ago total. The declines in shipments were concentrated in exports. Shipments of these wood pulps to the domestic market rose by 5.4% relative to the first two months of 1986. Inventories of chemical grade market pulp rose 24% since the end of December, but were still equivalent to a relatively low 19 days of supply.

Total production of wood pulp for January 1987 showed a 5.1% gain from its year-earlier total, at an annual rate about 61 million tons per year. Except for the dissolving grades, which gained only 1.8%, the increases were well distributed among the various wood pulp grades (see upper table on page 5).

Continued on Page 12

U. S. ADVERTISING MARKETS

The growth in real advertising expenditures quickened from 1% in 1985 to 2.5% in 1986, according to revenue data compiled by McCann-Erickson and deflated by API's Economics Department. In spite of the acceleration relative to 1985, last year's gain in advertising activity was still below the growth rates that prevailed during the first half of the 1980's. For example, real advertising outlays grew at an average annual rate of 3.3% between 1980 and 1985, a period that encompassed a robust 6.4% advance in 1983 and an 8.2% gain in 1984.

The comparative weakness of advertising activity during the last two years reflected sluggish U.S. economic growth and continued steep hikes in media rates at a time when U.S. inflation was in a sharp deceleration. Composite media rate gains measured 7.2% in 1985 (versus a 3.8% gain in the consumer price index) and 5.2% in 1986 (versus 1.9% for the CPI). Although API projects that 1987 real GNP growth will only match last year's 2.5% gain, real advertising revenues could still advance by as much as 3.5%, if media rates come into better alignment with price patterns in the rest of the economy.

Relative to total real advertising expenditures, the market share of the print-based media expanded from 51.6% in 1980 to 53.4% in 1985, and then held approximately stable last year. The increase in print's share partly reflected a surge in direct mail advertising. Real outlays for direct mail advertising rose 7.8% in 1986, up from 5.3% in 1985, but still well below the soaring 16% average annual rate of gain that took place between 1982 and 1984.

In contrast to the handsome gains achieved by direct mail advertising, some other segments of the print media have stagnated during the past two years. In particular, real magazine ad revenues slumped 3.2% in 1985 and another 0.9% last year. Magazine ad rates rose 5% last year, which exceeded the 3.9% average rate increases instituted by network television. Magazine advertising prices have typically risen less rapidly than those of network television, suggesting that 1986 may have been an anomaly in this respect. Preliminary evidence suggests that both magazines and television rates will rise by about 4% this year. Nominal newspaper advertising revenues increased 7% in 1986, but rate hikes held lineage gains to an estimated 1-2%.

The table on the lower part of page 10 shows API estimates of total real advertising expenditures and expenditures on print-based advertising expressed in 1982 dollars.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

MARCH 28, 1987

PRODUCTION (000 TONS)

PAPER GRADES	FEBRUARY 1987	JANUARY 1987	FEBRUARY 1986	% CHANGE FEB87/FEB86	FIRST TWO MONTHS 1987	FIRST TWO MONTHS 1986	% CHANGE YR TO DATE 1987/1986
Newsprint	441	490	434	1.6	931	897	3.8
Printing & Writing	1,619	1,702	1,523	6.3	3,321	3,182	4.4
Uncoated Groundwood (s)	128	134	117	9.4	262	247	6.2
Coated Paper (s)	526	568	488	7.7	1,094	1,009	8.4
Uncoated Free Sheet Paper (s)	851	885	808	5.4	1,736	1,698	2.3
Thin Paper (s)	22	22	20	11.5	43	43	-0.2
Cotton Fiber Paper (s)	13	13	12	8.2	26	25	5.5
Bleached Bristols (s)	79	81	79	0.0	160	161	-0.7
Tissue Paper	414	439	400	3.6	854	833	2.5
Total Pkg & Other Paper	410	446	407	0.6	856	844	1.5
Unbleached Kraft Packaging & Indl. Converting (s)	262	280	262	0.0	542	553	-1.9
Other Paper	148	166	142	4.4	314	287	9.4
TOTAL PAPER	2,884	3,078	2,764	4.3	5,962	5,756	3.6
PAPERBOARD GRADES							
Unbleached Kraft Paperboard	1,424	1,546	1,325	7.5	2,970	2,786	6.6
Unbleached Kraft Linerboard	1,320	1,436	1,225	7.8	2,756	2,578	6.9
Other Unbl. Kraft Paperboard	104	110	100	4.0	214	208	2.9
Semichemical Paperboard	439	481	409	7.2	920	845	8.8
Bleached Paperboard	343	382	337	1.8	725	692	4.8
Recycled Paperboard	681	735	642	6.1	1,416	1,334	6.1
TOTAL PAPERBOARD	2,887	3,143	2,713	6.4	6,030	5,657	6.6
TOTAL PAPER AND PAPERBOARD	5,771	6,221	5,477	5.4	11,992	11,412	5.1

WOOD PULP (ALL GRADES)	JANUARY 1987	DECEMBER 1986	JANUARY 1986	% CHANGE JAN87/JAN86	FULL YEAR 1986	FULL YEAR 1985	FULL YEAR 1986/1985
Dissolving & Special Alpha	108	122	107	1.4	1258	1174	7.2
Bleached Sulfite	115	115	121	-4.4	1401	1364	2.7
Unbleached Sulfite	15	13	15	0.0	175	196	-10.7
Bleached & Semi-Bl. Sulfate	2144	2097	2029	5.7	24122	22626	6.6
Unbleached Sulfate	1838	1773	1754	4.8	20618	19504	5.7
Semichemical	364	338	346	5.1	4133	4027	2.6
Groundwood & Thermomechanical	497	470	468	6.2	5545	5251	5.6
TOTAL PULP DIVISION DATA	5082	4926	4839	5.0	57252	54141	5.7

(s) - Shipments

March 31, 1987

	Full Year		INDUSTRY DATA 1986 - 1987			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1985	1986	December	January	February	1986	
Total Production (API).....: excluding :...	67,076	71,035	5 929	6221	5771	71 951	5.1
Total Seasonally Adjusted....:construction:...			6,437	6139	6079	73,309	5.1
Imports (including Products).: and wet ...E	11,106	11,597	833	1022	1000	12 135	6.5
Exports (including Products).: machine :..E	4,009	4,738	446	394	400	4,761	11.7
Apparent Consumption.....: grades :...	74,173 a	77 894 b	6 315	6 850	6 371	80 682 c	4.9
Paper Production % Tonnage Capacity.....	90.6 g	186.5 g	89.7	92.7	95.1	94.6 gh	-
Paperboard Production % Tonnage Capacity.....	90.0 g	189.3 g	90.7	96.2	98.1	97.6 g	-
			November	December	January		
IMPORTS.....:Including Construction and :...	11,521	11,936	1,165	853	1049	12,591	9.6
EXPORTS.....: WMB Grades (excl. HPB)	4,077	4 832	404	454	404	4 852	8.9
			November	December	January		
MARKET WOOD PULP PRODUCTION - Tons (000).....	6,797	7,585	647	694	668	7,567	4.0
TOTAL WOOD PULP PRODUCTION - Tons (000).....	54,141	57 277	4 757	4 926	5082	60 984	5.0
WOOD PULP IMPORTS - TONS (000).....	4,466	4,582	467	295	413	4,954	7.8
WOOD PULP EXPORTS - TONS (000).....	3,791	4,458	312	409	355	4 259	-3.4
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			November	December	January		
Wood Pulp.....:consumption for:.....	53,274	55,746	4,720	4,667	4952	59,424	5.3
Waste Paper.....:construction & :.....	15,290	16,578	1,398	1,339	1409	16,908	-0.5
TOTAL.....: WMB grades :.....	68,584	72,325	6,118	6,006	6361	76,332	4.0
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85,744	91,434	7 681	7,795	8049	96,588	2.1
EMPLOYMENT (000)			December	January	February		
Paper and Allied Products.....Total.....	683.2	690.0	696.8	690.3	690.2	690.3	1.1
Pulp, Paper and Board Mills.....Total.....E	253.5	252.2	253.2	251.1	250.8	251.0	-0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	10.82	11.14	11.24	11.18	11.16	11.17	1.5
Pulp, Paper Mills.....E	13.11	13.58	13.70	13.60	13.55	13.58	1.8
Paperboard Mills.....E	13.60	14.01	14.19	14.00	13.95	13.98	1.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1986 Q3	1986 Q4	1987 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.89	8.68	9.19	8.45	8.19 y	-7.9
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			December	January	February		
:IN PULP, PAPER :...Production Workers.....	127.3	134.5	143.1	140.5	138.0	139.3	5.7
:AND BOARD MILLS:...All Employees.....	126.2	134.1	143.0	139.7	137.5	138.6	5.2
PAPER AND ALLIED PRODUCTS (Million $)			December	January	February		
Industry Shipments (Dept. of Commerce)*.....	97,664	109,582	9,489	9276	9537	112,878	8.6
Pulp, Paper and Paperboard*.....	41,830	46,632	3,998	4136	4063	A9,194	12.2
Inventories (End of Period) - Total Industry*..	9,728	9,806	10,040	10555	10630	10,630	8.9
Pulp, Paper and Paperboard*.....	3,800	3,939	3,993	4098	4142	4,142	5.2
			1986 Q1	1986 Q2	1986 Q3		
Sales (Corporations Only).....	71,465	73,265 k	17575	18,470	18904	N.A.	N.A
Earnings (Corporations Only).....	2,880	3,113 k	589	922	824	N.A.	N.A
Depreciation (Corporations Only).....	3,099	3,341 k	820	843	843	N.A.	N.A
Net Worth (Corporations Only).....	29,694	31,075 m	30033	30,646	31075	N.A.	N.A
PRICE INDEXES (Bureau of Labor Stats)1967=100			December	January	February		
Pulp, Paper & Products, ex. Building Grades....	292.0	294.0	300.6	303.4	306.6	305.0	5.8
Wood Pulp.....	346.6	358.3	387.4	397.1	396.1	396.6	19.3
Waste Paper.....	148.8	172.8	192.4	194.6	201.5	198.1	48.9
Paper.....	303.4	306.3	313.4	315.2	318.1	316.7	5.1
Paperboard.....	274.6	272.2	278.7	286.0	290.2	288.1	8.7
PAPER DEMAND (INDEXED: 1977=100)			December	January	February		
Total Paper Production *.....	123.0	128.4	134.2	130.7	130.1	130.4	3.6
Paper New Supply *.....	128.8	133.9	133.5	137.3	136.7	137.0	4.0
Demand Indicators - (Weighted Average) *.....	141.6	148.8	152.2	152.7	153.1	152.9	5.3
Production of Nondurable Goods *...(21.2%).	125.3	130.9	133.5	134.3	134.4	134.4	4.1
Disposable Income .....*.(23.9%)	126.8	131.4	131.5	130.5	130.8	130.7	1.6
Total Printing and Publishing *...(54.9%).	154.3	163.4	168.5	169.5	170.0	169.8	6.9
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	114.3	122.9	138.4	129.4	127.5	128.4	6.6
Production for Domestic Use	112.8	120.8	136.8	127.6	125.4	126.5	6.2
Demand Indicators - (Weighted Average) *.....	120.1	122.1	123.9	124.0	124.6	124.3	1.7
Production of Consumer Goods *...(62.06%)	120.5	124.5	127.1	126.8	127.5	127.2	2.9
Production of Equipment *...(5.75%)	146.4	142.9	143.0	142.6	143.7	143.2	-2.3
Production of Materials *...(32.19%)	114.5	113.8	114.4	115.3	115.5	115.4	0.2
Trend Factor			Not Available				
NEWSPRINT MARKETS			November	December	January		
Consumption by Publishers - Tons (000).....	12,773	13,157	1,188	1,112	1,022	12,262	1.0
Newspaper Pub. and Printing Empl. Total(000)...	454	463	464	466	461	461	0.2
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	155,545	153,088	15,781	13,624	9,000	108,005	-8.2
WHOLESALERS SALES AND INVENTORIES (Million $)(j)							
Total Paper & Pap. Prdcts..ex Wallpaper..Sales	34,635	38,536	3,097	3,425	3,369	40,428	4.4
Inventories (End of Period).	3,155	3,116	3,208	3,411	3,410	3,410	9.4
FIBRE BOX DATA (Fibre Box Association)			December	January	February		
Fibre Box Shipments (Million square feet).....	267,451	283,620	22,030	24,708	22,704	284,472	2.6
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,186	2,186	2,311	2,338	2,338	-6.0
RETAIL TRADE (Million $)			November	January	February		
Total Retail Sales *.....	1,372,853	1,445,568	126,938	117,519	122,291	1,438,860	2.2
Nondurable Goods Stores Sales *.....	859,316	882,505	74,752	74,589	75,575	900,984	2.6
GENERAL ECONOMIC DATA			December	January	February		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..*	124.2	125.1	126.4	126.8	127.3	127.1	1.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	308.7	299.8	298.1	300.9	302.7	301.8	-1.6
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	331.1	331.1	334.4	332.8	1.5
			November	December	January		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	550	543	598	603	580	580	9.2
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1986 Q2	1986 Q3	1986 Q4		
G.N.P. or Expenditure - Current $.....	3,998	4,208	4175.6	4,241	4268.4	N.A.	N.A
G.N.P. or Expenditure - 1982 $.....	3,585	3,677	3661.4	3,686	3702.4	N.A.	N.A

lb/capita

Pap&Papbd	Othr	Totl	Popul(mil)
.a - 620 + 18	=	638	239.3
.b - 645 + 17	=	662	241.5
.c - 660 + 17	=	677	244.5

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
j - Census unpublished data: standard dev. = 6-8%
h - Adjusted to Conform with API Division data
j - Census unpublished data: standard dev. = 6 - 8%
Q - Quarter m - End of September

R - Revised
y - Full year estim. by U.S. Dept. of Com.
k - First 3 quarters, annual rate
* - Seasonally Adjusted.